

North Carolina Should Weigh Continued Investment in the Global TransPark Authority and Consider How to Repay the Escheat Fund Loan

A presentation to the Joint Legislative
Program Evaluation Oversight Committee

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Our Charge

S. L. 2010-31, Section 28.3(b) directed the Program Evaluation Division to

- Conduct a comprehensive program and financial review
- Assess ability of the Authority to become self-sustaining and repay the Escheat Fund loan



Overview: Findings

- Authority has made progress towards meeting its mission and goals
- Current administrative practices and operations limit the Authority's ability to achieve and demonstrate results
- Estimated fiscal impact of direct private sector employment at the Global TransPark will exceed the state's investment in the Authority by 2025

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Overview: Findings

- Authority cannot be self-sustaining, but options exist to reduce it's reliance on state appropriations
- Authority cannot repay the Escheat Fund loan and thus responsibility falls to the state
- Immediate divestiture in the Global TransPark is not possible



Overview: Recommendations

The General Assembly should

- Establish a repayment schedule for the state's Escheat Fund debt
- and
- Choose between two options for the future of the Global TransPark
 - Continue supporting the Authority based on demonstrated results, or
 - Incrementally divest from the Global TransPark

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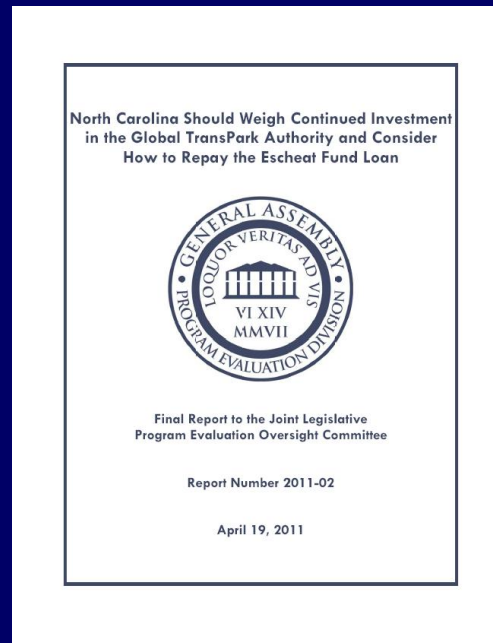


Current Legislation

- House Bill 200
 - Section 6.10(a) extends the Escheat Fund debt maturity date to October 1, 2012; estimated balance \$41.9 million
 - Section 6.10(b) requires the Authority to report on its strategic, business, and financial plans to the Program Evaluation Division by May 1, 2012



**Report available online at
www.ncleg.net/PED/Reports/reports.html**



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